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REPORT

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This is UNEVALUATED Information

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. The last order for diesel trains placed by the Soviet Union (believed at the beginning of 1953) was for 20 six-part diesel electric units, each made up of two diesel cars, one at each end, developing 600 horsepower, and four passenger coaches. The normal horsepower for diesel cars is 450.
2. The production cost of each train unit was worked out by the Hungarians at between 5 million and 8 million forints. Some carriages were ordered with soft seats and were accordingly more expensive than the hard ones.
3. The Soviets refused to pay anything near the estimated cost of production; it is thought that they may have offered even less than half. This offer appears to have been accepted without much argument by the Hungarians. Moreover, after the first railcars had been completed, the Soviets demanded that the body of the coaches should be built 60 millimeters higher, which sent up production costs.
4. After the 20 trains had been completed, although not all of them assembled, the Soviets accepted only eight and cancelled the rest of the order, on the grounds of faulty workmanship. They maintained that the welding was poor, which the Ganz engineers admitted, and that the electro-pneumatic bogeys ("Forgossamoly") were badly constructed. The Russians had nevertheless approved the construction designs. The Ganz engineers attributed this fault to the fact that this was the first order for diesel electric as opposed to diesel mechanical cars which the Ganz factory had been constructing.
5. The 12 trains which were rejected are now lying unassembled at the factory. It will be difficult to dispose of them, since they are designed for the Soviet broad-gauge railways.
6. The trains were built to run at a maximum speed of 105 kilometers an hour. According to Hungarian engineers, however, who delivered the trains to Moscow and Leningrad, the speed limit is only 60 k.p.h. owing to the poor state of the tracks.
7. In 1954, one hundred 60-ton tank cars were made on Soviet order. A further

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order for an unknown number was placed by the Soviets for 1955 and construction is proceeding.

8. Czechoslovakia has always been the Ganz firm's chief customer. The Czechs have placed the following orders in the last 2 to 3 years:
 - a. Under a secret order, one special train fitted out as a G.H.Q. for the Czech Army Supreme Command. The fittings inside are not being provided by Ganz, but will be installed in Czechoslovakia. The specifications included space for several radio sets and drawing-tables. The train is drawn by two diesel mechanical engines, one in front and one at the rear, and has two passenger coaches. Each unit, diesel cars and passenger coaches, is 24 meters long. The train is still in process of manufacture and should be finished in about three months. The diesel mechanical railcars develop the normal 450 horsepower.
 - b. Three trains, consisting of two diesel cars and one passenger coach, which have already been delivered.
 - c. Fifteen diesel mechanical cars, five-axle, for local civilian traffic, have also been delivered.
9. About 15 five-axle civilian diesel cars have been ordered for export to Poland. They are for branch lines. Most of them have already been delivered.
10. About the end of 1954, three trains were delivered to Eastern Germany. These consisted of two diesel cars and two passenger coaches.
11. [] ordered 26 four-part trains. It is not known how many have already been delivered, but complaints have been received of poor workmanship, for the same reasons as those put forward by the Soviets. The trains were partly for normal gauge and partly for the broader [] gauge. The system is diesel mechanical.
12. Owing to the number of complaints, there is little possibility that as many orders will be received as last year. However, capacity will be filled by the Czechoslovak orders and those for the Budapest municipal streetcar lines. The 7000 employees will remain busy.
13. The rolled metal material which comes from Ozd, Diósgyőr, and Lőrinczi, does not come up to the specifications of the Planning Office. This latter office is in constant conflict with the Procurement Office because of the poor-quality materials delivered.
14. The maximum monthly capacity is two diesel trains, each consisting of two coaches, and two diesel railcars (with a compartment for passengers behind the engine), and twenty oil-tank cars of 60 tons' capacity. If other products are manufactured, such as streetcars for Budapest or additional coaches, the capacity of two diesel trains and twenty tank cars a month cannot be reached.

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